

SECRETFILE Accounting
06 APR 1964

MEMORANDUM FOR: Director of Finance

SUBJECT : Appeal by [] (Board of Review
[])25X1
25X1REFERENCE : Memo dtd 26 Mar 64 to DCI thru DD/S fr D/Finance,
same subject

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1. I believe the attached memorandum on the 1960 shortage of \$100 at the [] Station should not be forwarded to the Office of the Director in its present form. I note in Tab 13 that at the time of the shortage the station was handling and controlling official funds as prescribed by the [] Handbook and that all of the correspondence, including that of the auditors and the [] Unit, seems to indicate that the Chief of Station and the custodian of funds were conscientious in the exercise of their financial responsibilities. It would appear to me that they may well be victims of an honest mistake which may be only coincidentally in an amount equal to an advance drawn by the Chief of Station in [] and returned to official funds in []

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2. I note in the dispatch attached at Tab 10, signed by two members of [] that both the Chief of Station and the custodian of funds acknowledged that the Chief of Station had, in fact, refunded in cash to [] the \$100 advance which was drawn in []. I also note that this receipt of cash was recorded in the station accounts. Under these circumstances, I do not see the pertinence of a receipt or lack of receipt from the custodian of funds to the Chief of Station as it may relate to this shortage (although I agree that receipts should be obtained for such transactions).

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3. If the request for the Chief of Station to pay the amount of a station shortage were based on the grounds that he bears inherent responsibility for all official funds of the station, and if it appeared there was some laxity on his part in the management of station finances, I would have no hesitance in agreeing that he has personal pecuniary liability. However, in this case it seems to me the decision that he is personally pecuniarily liable is based on the fact that the \$100 shortage which was confirmed in September 1960 happened to be in the same amount of an advance which he refunded in

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August 1960. It may well be that there is a connection. On the other hand, I see nothing in the file to demonstrate the connection. In view of all the efforts and statements of the [] Unit, the auditors, and others and the rather substantial amount of time which seems to have been applied to this case at headquarters, and in consideration of apparently prudent handling of financial affairs at the [] Station around the time of the shortage of the \$100, I am reluctant to say that anyone should refund this shortage, especially because of the time which has elapsed since the occurrence.

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4. Will you please arrange to brief me on this case.

/s/
H. Gates Lloyd
Assistant Deputy Director
for Support

Attachment:

Referenced Memorandum

EO-DD/S:VRT:fp(6 Apr 64)

Distribution:

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